

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7487**

**BILL NUMBER:** SB 508

**NOTE PREPARED:** Jan 13, 2009

**BILL AMENDED:**

**SUBJECT:** Midwives.

**FIRST AUTHOR:** Sen. Dillon

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *Establishes the Midwifery Board-* The bill establishes the Midwifery Board (MB). The bill sets qualifications for a certified professional midwife (CPM). The bill requires the MB to: (1) develop peer review procedures; (2) require the purchase of liability insurance as a condition for licensure if the board determines liability insurance is sufficiently available; and (3) adopt rules limiting the scope of practice of CPMs to nonhospital settings.

*Penalty Provision-* The bill makes it a Class B misdemeanor to practice midwifery without a license.

*Adds Culpability Standards-* The bill adds culpability standards to the crimes of practicing medicine or osteopathic medicine and acting as a physician assistant without a license.

*CPM Administering Drugs-* This bill allows the MB to specify circumstances under which a CPM may administer certain prescription drugs. The bill allows certain individuals to act under the supervision of a CPM.

*Medicaid Reimbursement-* The bill requires the Office of Medicaid Policy and Planning (OMPP) to seek a waiver from the United States Department of Health and Human Services to allow Medicaid reimbursement for CPMs.

*Definition-* The bill repeals the definition of "midwife" in the medical malpractice law and adds a definition of "certified nurse midwife".

**Effective Date:** July 1, 2009.

**Summary of Net State Impact:** There would be additional administrative expenditure for the Professional Licensing Agency (PLA). Additionally, there would be expenditures for: MB member per diem, lodging and mileage, telephone expense, office supplies, and printing costs. Cost could be offset, by the fees set by the MB for the certification of CPM's.

**Explanation of State Expenditures:** *Establishes the Midwifery Board-* The nine-member MB would be appointed to oversee the certification of midwives. The MB would require the certification of an applicant by the North American Registry of Midwives (NARM). The MB would be allowed to adopt standards that require more training than the requirements of the NARM. The MB would also set up formal education requirements including emergency life support procedures, identification of high risk births for mothers, identification of potential complications during labor, and other material the board specifies.

Nurse Midwives- Certified nurse midwives would remain under the jurisdiction of the Board of Nursing, while the certified professional midwives would be under the jurisdiction of the proposed Midwifery Board.

Professional Licensing Agency- The PLA would provide the administrative staff to the MB. Need for additional staff would depend on the number of applicants for the license and the workload of current PLA staff with existing professional boards and commissions. An additional COMOT III to process licenses would require \$37,374 in expenditures during FY 2010. The amount includes salary, fringes, and indirect costs associated with establishing the position.

*Medicaid Reimbursement-* OMPP would be required to seek a waiver from the U.S. Department of Health and Human Services (USHHS) to allow Medicaid reimbursement for licensed certified professional midwives (CPMs) who are not registered nurses. According to OMPP, federal financial participation is not currently available for services rendered by a midwife when the practitioner is not a registered nurse. The bill provides that if USHHS does not grant a waiver from these regulations, Medicaid will not reimburse these midwifery services therefore, the state General Fund will not incur any additional costs. If USHHS does grant the waiver, the bill adds licensed CPMs to the list of practitioners able to receive Medicaid reimbursement. Since this does not represent an expansion of Medicaid services, the Medicaid program should not incur additional costs.

The waiver application process is not without opportunity costs. Waiver applications are generally developed and submitted by the existing staff in OMPP. Applications must be developed and adequately justified. If the Centers for Medicare and Medicaid Services (CMS) have questions or request additional information, staff must be available to respond within specified time lines or the request is considered expired. If the waivers are subsequently approved, OMPP must implement the services and fulfill any waiver reporting requirements.

**Background-** The PLA reverted \$514,160 at the close of FY 2008. However, recent prior year reversions have been minimal due to the addition of several new boards and commissions, which currently total 39. As of November 24, 2008, the PLA had one vacancy worth \$40,950 in salary. As of late 2007, 93 certified nurse midwives and 68 nurse midwives were licensed to practice in Indiana. NARM reports from their 2007 annual report, that there are 13 individuals in Indiana that have achieved a CPM credential. The Indiana Midwives Association (IMA) has about 30 midwife or student midwives in their membership.

**Explanation of State Revenues:** The MB fees for the certification of midwives would, presumably, be set

at a level to cover certification expenses. The amount of revenue that would be generated by this proposal would depend on the number persons seeking a CPM credential.

*Civil Penalty-* The MB would be able to impose civil penalties of up to \$500 for violations of certain provisions of this proposal.

*Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** Professional Licensing Agency; Office of the Secretary of Family and Social Services, Office of Medicaid Policy and Planning; Department of Insurance.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Wade Lowhorn, Professional Licensing Agency; Jessaca Turner Stults, FSSA, 234-3884; North American Registry of Midwives, 2007 Annual Report; Indiana Midwives Association.

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